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President J. N. LAWRENCE



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President: J. N. Lawrence

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Collecting Uncut Sheets of United States Currency

By ROBERT OBOJSKI

Uncut sheets of United States currency have become increasingly popular with banknote collectors during recent years. Though it may be almost impossible to obtain uncut sheets of present-day American paper money, it is often an inexpensive proposition to obtain specimens of U.S. obsolete currency printed in the 19th century.

Since most obsolete sheets are no longer legal tender, they have value only to collectors, and thus are often priced for as low as a few dollars each. Obsolete sheets are often colourful and have real historical interest.

Illustrated here is a sheet of four banknotes issued by the Western Exchange Fire and Marine Insurance Co. of Omaha, Nebraska, on November 2nd, 1857. This sheet is typical of the many artistic state and local banknotes issued during this era. Though the Federal Government under the Constitution was launched in the United States in 1787, no national currency was issued until 1861. The right to issue currency was waived by the Federal Government to the States during this long period.

* * * *

Uncut sheets of contemporary currency are extremely rare because they are delivered to the Federal Reserve Banks from the Bureau of Engraving and Printing in Washington already cut. Uncut sheets, however, can be found among National Banknotes, issued between 1863 and 1929. Though they are classified as being obsolete they are still legal tender with \$37 million of them in circulation today.

Reason for many of them being uncut is that National Banknotes were delivered to banks by the Treasury Department in the form of complete sheets. Once at the banks, the notes had to be signed by the president and cashier, and the separation of notes became a matter of convenience for the individual bank.

* * * *

Full sheets of four of Louisiana currency are plentiful and inexpensive, many being available for \$10.00 or less. These were issued during and immediately after the Civil War. Since this type of state currency had little or no bullion backing, it declined rapidly in value—many of the bills never left the banks at all,



Uncut sheet of four banknotes of the Western Exchange Fire and Marine Insurance Co. of Omaha, Nebraska issued in denominations of \$1, \$2, \$3 and \$5 on November 2nd, 1857. The \$1 bill features a vignette of a group of Indians viewing a passing train; \$2 note, Indian and horse with train in the distant background; \$3, Indian on horse slaying a buffalo; \$5, a riverboat.

(Photo, Courtesy Federal Brand Enterprises, Cleveland, Ohio.)

and, hence, today they can often be found in uncirculated condition.

A typical example is the Canal Bank of New Orleans sheet in the \$5 denomination. This very ornate banknote has as a central vignette five female mythological figures with a portrait of George Washington at left. Because most of these sheets were never released, the place for the date at lower right is left blank, but the sheets were printed in the early 1860's.

Another highly artistic sheet printed for the Canal Bank of New Orleans is the \$10 variety portraying a group of cherubs in the central vignette with busts of Benjamin Franklin and George Washington at left and centre. It was printed during the same period as the \$5 variety.

* * * *

The Bank of Florence, Nebraska, in the late 1850s, released an attractive sheet in \$1, \$2, \$3 and \$5 denominations. Banknotes like this are important to the student of history since they relate in succinct form the life and times of that part of the country.

The \$1 note portrays two hunters and an Indian family; the \$2 specimen pictures an Indian reclining on a rock overlooking a lake; the \$3 note shows a pioneer farmer feeding a workhorse; and the \$5 variety portrays a group of pioneers peacefully trading with an Indian tribe. The pioneers are exchanging a large mirror in return for corn.

All the notes are printed black and white with values in red. They all have smaller vignettes at right and left; the American eagle, flag, various mythological figures, flora and fauna of the country, etc.

In conclusion, we may only add that uncut sheets of United States obsolete currency, particularly obsolete state banknotes of the 19th century, is becoming a passion with many numismatists. Since they are so plentiful, most coin and paper money dealers usually have them in stock. Because of their unusual and colourful designs, they are often displayed at numismatics shows and conventions in many parts of the world.

Michael Kolman, a charter member of the International Banknote Society, and Kenneth Ferguson are currently working on a comprehensive catalogue of U.S. obsolete currency.

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MONEY AND MEDICINE

By E. GRIBANOV

The first doctor was the contemporary of the first man. "In the doctor's laboratory is all suffering humanity; indeed to the doctors themselves their name is legion; their activity is of the same age as the first man" (E. P. Pavlov). That is why medicine, the oldest of the sciences, has found a reflection in many subjects and phenomena during all the long epochs of man's development.

With the appearance of the trade-money relationship, information relating to medicine appeared on the money of the ancient world. Thus, on Greek and Roman coins are represented mice and flies, symbolising various epidemic diseases; mineral springs, baths, bath houses, *thermae*, symbolising medicinal waters; pain also: a pomegranate personifies gynaecological diseases and so on. On the money of these states are often represented mythical images, signatures and symbols; they deal with marriage, pregnancy and children. Sometimes representations are found of the God of Medicine, Aesculapius (*Eskolap* in Latin), his daughters—the Goddess of Health, *Hygeia*, and the Goddesses of the doctors, *Galina* and *Empedokla*.

In ancient Japan, the original money in circulation was in the form of an embryo, known under the name of "magatana". This money was made of nephrite, agate or malachite. Besides its commercial value, this money was used as protective amulets during childbirth.

Until recent times, some African tribes (Liberia, etc.) used money known as the "Gizzi Penny" crudely fashioned from iron. This coin was in the form of an elongated body with a tail and wings. To the credulous Africans, the money was endowed with a holy spirit. In 1930 it was possible to buy ten oranges or a bunch of bananas with one of these pennies. If the coin was broken, then the spirit abandoned its habitation and its purchasing power was lost. Only the tribal doctor, for a specific bribe, was able to re-establish the money and bring back the spirit.

For nearly a thousand years, the money of Eastern countries like China, Japan and others bore the figure of an elderly individual with a bent back and a massive head of hair, symbolising longevity.

The Middle Ages in Europe, with its ignorance and prejudices, its frequent epidemics and church dominance, stimulated the growth of a great number of amulets, presumed to be capable of giving immunity during the numerous epidemics. Up to the sixteenth century several kinds of money were issued with this end in view. The most famous of these monies was coined in the mining town of *Bogemi Yokemstal*. On the obverse side of one of their coins, minted in 1520, is the figure of Christ, and on the back, *Eskolap* among the sick. This thaler was worn round the

neck as an amulet and was guaranteed to give immunity from "mora" as the epidemics of infectious diseases were then called.

In the 18th-19th centuries, many doctors had recourse to advertisement by means of banknotes, coins and medals. These gave the name and address of the doctor, and sometimes his portrait and scale of charges for treatment. About a hundred of this kind of "visiting card" are known to be in existence. For instance, in the second half of the 19th century, an American dentist named Slaton issued hundred dollar bills, on which were printed the portraits of the doctor himself, his wife and son, and the doctor was also shown receiving patients in his surgery. A scale of charges was printed on the back. In 1823 a famous Parisian doctor, Deserabod, issued 500 franc advertising tickets but their circulation was forbidden. A reproduction of this banknote was given in Deserabod's pamphlet "I cannot be Silent" (1826).

The interesting idea of issuing money specially for the blind cropped up in the U.S.A. In 1882 a specimen of this kind valued at 5 cents (the highest denomination of the time) was turned out by the mint. The design was the usual 5 cent design of that period, but round the edge of the coin were made five inscriptions in relief. This money was not sanctioned by Congress and only a few specimen copies are preserved in the collections of numismatists.

Better fortune attended the lepers. At the beginning of the 20th century various state institutions issued money specially for circulation in leper colonies. The purpose of their issue was to prevent the infection of healthy people. When it was discovered that leprosy could not be transmitted by money (and also for reasons of greater humanity) the issue of this money was prohibited. Such money was in circulation in the Kuleon colony of lepers in the Philippines, where it was issued in 1913. At first these coins were made of aluminium but because of the rapid wear and corrosion of metal in the tropics, later issues were of copper alloy and nickel. The coins ranged from half a cent to twenty cents in value, and there was also a peso. This was an officially approved means of exchange, and bore the superscription "The Public Health Service of the Philippines".

The Nagasaki colony in Japan and the leper hospital on Providence Island in Venezuela also had their own money, but in the Mackinnon Colony in Thailand, the usual money had deep notches cut across all the coins. Only lepers used this money. On the eve of the Second World War, money issued for lepers was withdrawn from circulation.

In Europe, special money has been issued by individual medical institutions. Thus, in Belgium and France coins and paper money were unofficially in circulation in hospitals for mental diseases. These were usually issued by religious organisations. In most cases, these and similar issues were withdrawn from

circulation before the Second World War.

During the period of the Weimar Republic in Germany, several thousand small paper notes were issued ("Notgeld"); several of these had designs and texts relating to medicine, advertisements of healing mineral springs, appeals from the Red Cross, portraits of individual doctors and so on.



The original 25 mark note issued by the magistracy of the town of Belefeld is of silk and bears a design showing a medical spring with cripples going in on crutches and coming out cured and throwing away their crutches. (See photograph.)

PAPER MONEY IN MODERN CHINA

(1900-1961)

by the late E. KANN

Introductory

Owing to the inability of various successive Chinese dynasties to maintain the stability of paper money, followed by outright repudiation, the sorely tried population of medieval China had completely lost confidence in banknotes. The position had grown so bad that toward the close of the Ming dynasty (1368-1644) paper money could no more circulate in China.

When the Manchus entered the country as conquerors, they did not attempt to issue banknotes, being fully aware of the justification of mistrust on the part of the populace.¹ Only when—shortly after the outbreak of the Taiping Rebellion (1850-1864)—the Peking Government had to have recourse to the forced issue of fiat money in order to finance part of the campaign, was there an exception from previous decisions; but, unfortunately, one which also terminated in dismal failure.

The close of the nineteenth century witnessed complete indifference on the part of the Peking authorities to the private issue of banknotes. Circulation of these was left to anyone who cared to emit paper money within China. From time to time came feeble warnings from the northern capital relative to over-issues, to the absence of reserves against notes emitted and to the need of withdrawing excess-issues. But at no time during the imperial regime (which came to an end in October, 1911) were active or constructive steps initiated to regulate the note-issue on a modern basis, or actively to interfere with contraventions of existing regulations.

The birth of the Chinese Republic (October, 1911) by no means brought about a removal of the numerous shortcomings connected with uncontrolled issues of fiat money. However, plausible excuses can be found in the fact that the new Republic was in crying need of funds for its initiation and consolidation. As is known, the National Government at Nanking in 1935 actively intervened by creating unambiguous regulations aimed at the orderly issue of paper money by duly authorised institutions,

¹ Actually there was a feeble attempt to emit paper money at the outset. However, the sum placed in circulation, as well as the duration of the experiment, were too insignificant to remain on record.

and also by seeing to it that the legally prescribed percentages of metallic and other cover for all note issues should be extant, subject to periodical inspection. By 1942, the Nationalist Government (then domiciled temporarily at Chungking) ordered the other three official banks, namely the Bank of China, the Bank of Communications and the Farmers Bank, to discontinue the issue of fiat money, undertaking to have same redeemed by the Central Bank of China, which latter institution was designated to henceforth act as sole source of note-issue within China.

The period under review, covering half a century, may be considered as years of transition and reform. During this particular space of time, changes in the political and economic fields were numerous, radical and rapid. I have had the good fortune to live throughout nearly this entire period in various commercial centres of China, always engaged in active banking and finance. Thus I had the opportunity of watching events on the spot and recording and analysing the principal ones. As a result I am presenting facts as I witnessed and investigated them with a certain degree of authenticity, if not with a claim to absolute completeness.

Upon the dawn of the twentieth century, the principal issuers of fiat money were Chinese native banks. They used printed blanks, filling in the face amount of the note with brush and Chinese ink. Rivalling their action were numerous merchant firms, some of which demonstrated prolificacy as far as their note-issues were concerned. Neither one of these sources was under binding obligations in regard to note-emissions, and none of them publicised the size of the note circulation. Therefore the world never will learn the extent and the fate of those particular issues of fiat money. But it is apprehended with clearness that these non-official issuers gradually and automatically were crowded out of the field by better equipped institutions.

The latter consisted of (a) Provincial Banks; (b) National Banks; (c) Modern Chinese Commercial Banks; (d) Foreign Banks in China.

It must be borne in mind that toward the end of the imperial regime China had comparatively few usable roads and railroad lines. Therefore, inter-provincial traffic was handicapped and the requirements for means of payment were lessened. This fact accounts for the comparatively small volume of notes which had been in circulation until about 1930. From then onward the volume of internal trade grew considerably, commensurate with the rapid development of road-building and railway construction. When the silver standard was abolished in China (November 3, 1935), banknotes immediately took the place of silver money withdrawn by the Government, thus bringing about a rapid expansion of the note circulation in China.

GOVERNMENT BANKS AS ISSUERS OF BANKNOTES

Indubitably the Government Banks can claim the largest share in the circulation of banknotes in modern China. For this

reason it is deemed essential first to deal with the inauguration and the career of the respective note-issuing Government Banks.

(1) The Hupu Bank

The fatal ending of the Boxer Rebellion of 1900/01 convinced the Chinese authorities of the urgent need for reforms, mainly in the realm of commerce and finance. Stipulations toward this end were clearly contracted for in the British Commercial Treaty with China of 1902 (Mackay Treaty). China visualised the need of exchanging her silver standard for a gold basis. In 1904, the report of the Jenks Commission was published, representing a gradual adoption of the gold standard and urging the expediency of establishing a national bank with numerous branches in China to assist in monetary reform.

The Board of Revenue (Hu-pu) and the Council of Finance memorialised the throne for the establishment of an Imperial Bank under the former's control. The Memorial was promptly approved on March 16, 1904, and a few weeks later the regulations pertaining to the new bank were also agreed to. However, none of these contained references to monetary reforms.

One should have surmised that, when memorialising the throne with regard to the establishment of the first government bank, the petitioners would have stressed the need of granting the institution sole rights of note issue. But this was not the case, for the memorial barely hinted at such privileges. There it was said that misunderstandings had always existed in China between officials and merchants, and that the mismanagement of previously issued government notes had made the people distrustful. For this reason it was not recommendable for the time being to stop the private issues of notes; but an effort would be made to restore confidence at future occasions. Obviously the memorialists referred to repudiations of government-issued fiat money in bygone centuries, all of which had proved partly or entirely irredeemable.

The Hupu Bank was to be capitalised at four million taels, and shareholders were to be of Chinese nationality. However, control of the bank was to remain in Government's hands. Private shareholders failed to come forward with capital; and the Government had no funds to spare. Only when a fractional sum of 200,000 taels was supplied by the Board of Revenue could the head-office in Peking be opened on September 27, 1905. Three weeks thereafter another 300,000 taels was paid in and a further 500,000 taels was forthcoming in two instalments in the course of 1906. The remaining million of government capital was not paid up until early 1908.²

The 20,000 private shares were subscribed in instalments between 1906 and 1908. Profits realised proved excellent, and in

² Vide "Chapters and Documents on Chinese National Banks", by R. O. Hall.

the summer of 1908 the capital was increased to 10 million Kuping taels. By the close of that year, 18 branches of the bank were in existence.

The statutes of the Hupu Bank did not contain a proviso as to the sole privilege of note-issue. This fact is most likely to be ascribed to the people's tragic experience with paper money in bygone times. The following Articles contained in the Hupu Bank's regulations refer to the problem of note-issue:—

Article 20 states that notes in denominations of Kuping taels 100, 50, 10, 5 and 1: and dollar notes in similar denominations shall be printed. But notes above taels 100 "... as well as other various kinds of notes may be issued". (As will be seen, this article is as vague as it possibly could be.)

Article 21 stipulates that the notes issued by the bank and its branches shall be good for payment of all accounts, public or private; they shall be considered as good as cash. Provinces are authorised to pay their revenues to the Imperial Government in these notes. People of all classes who refused to recognise these notes, or who attempted to discount them, were to be severely punished.

Article 22 decrees that for transactions with the Board of Finance, whenever payment can be made by notes, the issue of the Hupu Bank is to be used exclusively. There was a distinct tendency to oust foreign banks' note issues from the market and replace them with emissions from the government bank.

According to Mr. Jules Gory³, the government bank issued three kinds of paper money:—

(1) Silver notes (Yin Piao) in 28 denominations ranging from 1 to 1,000 taels.

(2) Dollar notes (Chao Piao) of three denominations only, viz., \$1, 5 and 10.

(3) Cash notes (Chien Piao), or copper-cent notes, calling for 2, 3, 4, 5 and 10 "tiao".

Banknotes were issued by the Hupu Bank's branches at Peking, Tientsin, Hankow, Tsinan, Mukden and Urga. Dollar notes had a favourable circulation, inclusive of Manchuria and even Mongolia. Branch offices redeemed upon presentation banknotes issued by other branches of the bank. Speaking generally, paper money circulated by the Hupu Bank was readily accepted; and foreign banks in Peking made no exception, seeing the redemption could easily be effected.

(2) The Ta Ching Government Bank

It is not easy to determine when the Hupu Bank ceased to exist and when the Ta Ching Government Bank came into existence. The one was the successor of the other, and the change

³ Vide "Notes on the Chinese Government Bank" (1908), fol. 23.

in name came gradually and without ceremonies. As the date on which the Ta Ching Bank began to function, one may take February 28th, 1908, on which date new regulations entered into force, stipulating *inter alia* the increase of capital to 10 million Kuping taels.

In contradistinction to the ambiguous rules of the erstwhile Hupu Bank (no maximum amount of the note issue; no provisions for reserves, etc.) the regulations pertaining to the Ta Ching Bank were clearer and more businesslike. The 24 Articles all referred to the Ta Ching Bank individually, and none related to banking in China in general. Only one single paragraph directed attention to banknotes, and even this one was postponed in its execution. The said Article reads as follows:—

“Article V.—The bank shall hereafter have the exclusive right to issue paper money, but such issue shall be in conformity with the laws appertaining to the same, and additional laws must be enacted by the Board of Finance before the Bank may issue paper currency. Temporary notes may be issued before the enactment of the said laws.”

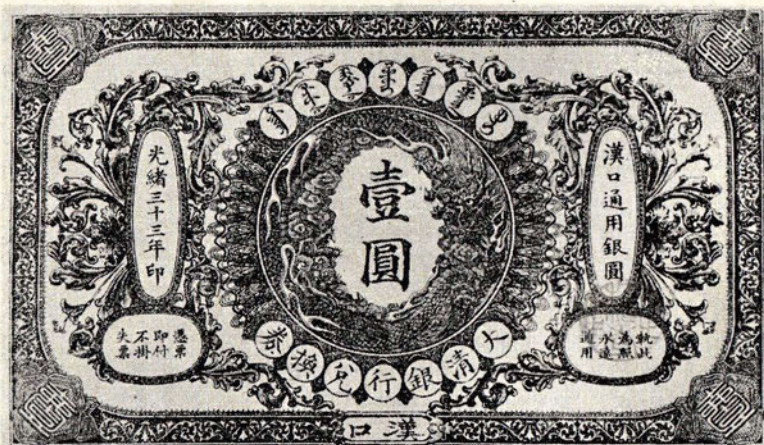
In the beginning of its career, the standing of the Ta Ching Bank was excellent, thanks largely to the sound business principles adopted by the Shanghai management. At the outset there was a note-issue in existence of Kuping taels 2,961,524.15 (all branches combined), as shown in the last balance sheet of the Hupu Bank, issued in February, 1908.

While having succeeded in steering clear of the disastrous consequences of the 1910 Shanghai rubber boom, the bank was indirectly affected by the general collapse, and its standing was less strong when the revolution broke out on October 10th, 1911. The entire structure of the bank was dismembered. Funds which depositors failed promptly to withdraw, were confiscated by one or the other contending government factions, or else expropriated by soldiers. A hurried issue of unsecured banknotes, especially in North China, made matters worse. The Hankow branch could not withstand the run on its coffers and had to close its doors. Withdrawals of deposits from the Shanghai branch in October, 1911, amounted to \$2 million within three days. Some other branches (Changsha, Urga) declared themselves independent institutions and changed their names. Due to the turmoil, the notes of the Urga branch (Outer Mongolia) sank to only 20 per cent of their face value. There were not enough metallic reserves available to redeem the 700,000 dollars worth of notes, so that the bank (then the only financial institution in Mongolia) had to close its doors. Finally, the Ta Ching Bank became exhausted and lay prostrate, wholly unable to function.

The Shanghai branch of the bank, having enjoyed superior protection, succeeded in weathering the typhoon. It was from here, and not from the collapsed head office at Peking, that the launching (on February 5th, 1912) of a new institution was

initiated and announced. Then it was surmised that the total losses sustained by the Ta Ching Bank would not exceed the funds invested by the late Manchu Government, so that the capital of private shareholders would remain intact.⁴

In April, 1906, the Commercial Press undertook to print notes for the Ta Ching Government Bank; this work was accomplished by October of the same year at Peking. In the first year of emperor Hsuen Tung (1908), an order was placed in the United States for the printing of Ta Ching Bank notes in denominations of \$1, 5, 10, 50 and 100 for a face value of altogether \$10 million.



Vide "Organization of Chinese Government Banks" by E. Kann, published on October 19, 1928, in the "North China Daily News", Shanghai.

The banknotes printed in 1906 by the Commercial Press on behalf of the Ta Ching Government Bank are examples of lithographic artistry.⁵ They consisted of series composed of denominational values of \$1, 5, 10 and 100. On the left of the obverse is shown the bust of emperor Kuang Hsu in an oval frame. Above a huge dragon floats through the clouds; beneath a cavalcade of armed soldiers is depicted.

I owned a booklet containing specimen of the set, but assuming that the series was not circulated, I presented the lot to a collecting friend. To the best of my recollection, these notes never were channelled into traffic, most likely because in Imperial China portraits of His Majesty on stamps, coins or banknotes were strictly taboo.

As already mentioned, in general, the standing of the Ta Ching Bank was good. Yet, at certain stages of its early career doubts were expressed regarding the existence of sufficient reserve funds. In the spring of 1908, some of the foreign banks of Shanghai declined to accept Ta Ching Bank's paper money. Thereupon the Ministry of Finance cabled from Peking to Viceroy Tuan Fang, suggesting that the Chinese Chamber of Commerce should take retaliatory measures. At the same time the Ministry, after official enquiries had been made by the Doyen of the Diplomatic Corps at Peking, confirmed that it stood guarantor for the notes emitted by the Ta Ching Government Bank.

At the beginning of 1908, the Ministry of Agriculture, Works and Commerce wired to the Shanghai Chinese Chamber of Commerce suggesting to "... raise funds without delay to meet all demands, as it is the promise to pay on demand that gives a note its value". Simultaneously, the Ministry of Finance telegraphed to all Viceroys in the Interior, prohibiting the use of foreign banknotes outside the foreign Concessions of the Treaty Ports. In the summer of 1908, the Chinese Government intended to submit to the next Hague Conference a proposal to the effect that no foreign bank should be permitted to circulate notes, except in places opened to foreign trade.

It was not so much the circulation of Ta Ching Bank paper money which caused apprehension, but much more the issue by privately-owned native banks, exchange shops and general merchants. Since there was no control exercised over such emissions, and since their size was not known to the authorities and to the public, caution positively became necessary. The following Imperial Decree was contained in the official "Peking Gazette" of April 3rd, 1908, showing that apprehension existed then with regard to uncontrolled private issues:—

"Owing to the abundance of copper coins in circulation and also to the issue of private money orders, the price of silver in Peking is still abnormally high. A Decree to suspend

⁵ Though the order was given to the Commercial Press, the latter passed it on for execution to the Peking Printing Press.

work in all the copper-coin mints in the various provinces until the price of silver resumes its normal condition has already been issued. If the issue of private money orders by the merchants who have no funds to meet them were allowed to go on unchecked, the money market would be very stringent, and the price of silver would never come to its normal standard. Therefore we hereby order the Governor of Peking to prohibit the practice of issuing private money orders. From henceforth, any person, with the exception of banks, who dare to issue orders for money, being incapable of honouring them, will be severely dealt with. The Ministry of the Interior and the Peking Gendarmerie are also ordered to see that all the money orders issued by the various banks are payable on demand, so as to relieve the financial situation for the benefit of all."

According to the China Yearbook,⁶ the Ta Ching Bank's issue of notes on June 30th, 1911, amounted to 5,438,910.75 taels and also \$12,459,907.89.

Half-hearted attempts were made to restrict the circulation of paper money in China, when the following proposal received Imperial sanction on March 11th, 1908:—

"(1) None but banks or cash shops will be allowed to issue notes.

(2) A system of joint-guarantee is instituted by which cash shops are formed in groups of four, each member of the group being responsible for the three others.

(3) Cash amounting to 90 per cent of the note issue is to be kept in reserve. Below the proportion of 80 per cent, a fine equal to ten times the amount which might be short will be inflicted. Issuing shops which have no cash at all will be treated as common thieves."

Forgeries of Ta Ching banknotes led to the arrest of a gang of counterfeiters at Tientsin. The leader, convicted of having imitated the bank's seal and stamped notes with it, was sentenced to strangulation; and two others to penal servitude for life.⁷

In 1910 the Ministry of Finance petitioned the throne in connection with currency reform. Regarding banknotes the following amendments were then proposed:—

"In regard to the issue of convertible notes, the Government has decided to turn over the whole of the business of issuing and redeeming paper currency to the control of the Ta Ching Bank. The latter must keep on hand cash reserves for one-half of the total issue of notes, and marketable securities for the other half. In times of financial stringency the bank may issue paper currency in excess of these reserves on obtaining special permission from the Tutchip, and paying a

⁶ Issue of 1924, fol. 707.

⁷ Vide "Notes on the Chinese Government Bank" by Jules Gory, fol. 25/26.

tax of 6 per cent per annum on the excess issue. Banknotes may be redeemed at any time during office hours at the head or branch office of the Ta Ching Bank, though when large amounts are presented for redemption, time of payment may be deferred according to the distance from which the cash will have to be transported. Until sufficient of the new coins have been minted to meet all demands, notes presented for redemption may be reckoned at the rate of one Kuping tael equals \$1½, and on this basis again exchanged into the dollars or taels current in the place.

In regard to notes issued by mercantile establishments and private banks, and now in circulation, these will be ordered to be withdrawn at the rate of one-fifth of the total issues annually, so as to ensure complete withdrawal within five years. Rules to be drawn up for redemption of notes issued by provincial and government establishments. Establishments which have not yet issued notes are prohibited from doing so in future.”*

This Decree shared the fate of many other “reform” proclamations which were quite prolific during those days; i.e., it was completely ignored. It should be recalled that a year thereafter the revolution broke out in China, culminating in the replacement of the Manchus by a Republican regime. This fact automatically shelved all plans tentatively prepared by the Imperial Government of Peking. And, under such circumstances, the above cited project was buried without ceremonies, and with it the old Ta Ching Government Bank.

* Vide “China Year Book”, 1912, fol. 286/87.

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The Bank of England

By C. C. NARBETH

Today the Bank of England is the pivot of British economics and is so powerful that, it is said, it can dictate to Parliament—perhaps the more easily since it is partly nationalised. It is therefore incredible to many to learn that it was founded virtually by trickery.

In the words of one of England's greatest historians, Lord Macaulay: "It was . . . not easy to guess that a Bill which purported only to impose a new duty on tonnage for the benefit of such persons as should advance money towards carrying on the war was really a Bill creating the greatest commercial institution that the world has ever seen."

William Paterson, a Scotsman, was behind the idea and in 1694 his idea was "grafted" into a Bill, the purpose of which was "for granting to Their Majesties several Rates and Duties upon Tonnages of Ships and Vessels and upon Beer, Ale and other Liquors; for securing certain Recompenses and Advantages in the said Act mentioned to such Persons as shall Voluntarily Advance the sum of Fifteen hundred thousand Pounds towards carrying on the War against France."

The Recompenses and Advantages were that the promoters of the loan could raise £1,200,000 by subscription and create a corporation to be named "The Governor and Company of the Bank of England". The entire capital was then to be lent to the Government at 8 per cent interest as well as £4,000 a year expenses. The Corporation was to be entitled to issue notes.

The Tunnage Bill, as it was called, was passed without division and the subscription list opened on June 21st, 1694. Within four days £900,000 had been subscribed. The Treasury, on behalf of the King and Queen subscribed £10,000 but most of the money came from wealthy Whig merchants.

Evelyn recorded in his diary on July 1st of that year: "The first greate Bank for a fund of money being now established by Act of Parliament was fill'd and compleated to the sum of £120,000, put under the government of the most able and wealthy citizens of London. All who adventur'd any sum had 4 per cent, so long as it lay in the Bank, and had power either to take it out at pleasure or transfer it."

Two grocers dominated the directors; they were Sir John Houblon, governor, and Michael Godfrey, deputy governor.

The first notes were issued in 1694 and were known then as "Running Cash Notes". These were written by hand on paper bought from a stationer! They carried interest and could be cashed for part of their face value which led to endorsements on the notes stating the amount paid off the original value.

They were to be valid for all time. And today if such a note were presented it would be met. Collectors may be amused to know that at the turn of the century a man did present such a note and asked to be allowed to keep it as a souvenir. He was told that once cashed it belonged to the Bank of England. At this he required the note to be paid up except for one penny, for which he kept the note as his security.



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NEWS OF THE SOCIETY

We were all very pleased to know that Jimmie Lawrence of South Africa has agreed to become our president and is now in office. At the same time we regret that Don Allen had to retire through pressure of work and we extend our sincere thanks to him for all the work he put in to the Society during his term of office.

Members will also be pleased to know that Paul Darrell is now the official auctioneer. Several other members also offered to take the post and we are very grateful to all of them for offering their services. It is hoped that the auctions will be reinstated in the near future.

The Society now has an impressive list of officers but undoubtedly owes its success to the two mainstays of all hard work, George Broughton, Secretary, and Joe Sullivan, treasurer.

George Broughton has been promoting the hobby at various exhibitions and is to be congratulated on taking first and third prizes in foreign paper money at the Old Fort Coin Club show—attended by about 1,350 people. Incidentally another Society member, John Shaffer, took second prize in this section and also took second prize for U.S. paper money.

Ronald A. Greene of 2538 Kilgary Place, Victoria, B.C., Canada, is compiling a list of all paper money of the Province of British Columbia and asks any members with knowledge of the following banks to get in touch with him:—

Bank of British Columbia.

Bank of British North America (but only notes issued at points in what is now B.C.).

Bank of Vancouver.

MacDonald and Co., Bankers of Victoria.

Dr. Edward D. Gribanov, who has contributed two articles on Medicine and Paper Money asks for any members interested in this subject to contact him. His address is Durowa St., 3/13, Apt. 152, Moscow T-110, U.S.S.R.

As Dr. Gribanov's English is not too good he writes in Russian but members can avail themselves of Jock Hearne, 212 Ashley Gardens, Westminster, S.W.1, England, who will translate for a nominal fee, and who has translated his articles for the magazine, for which we are much indebted to him.

Paper Money of the Yugoslavian States

KINGDOM OF SERBIA

By D. B. SPAJIC

	U.S. Dollar
1876—State Notes of the Ministry of Finance.	
1 Dinar (July 1, 1876) Not issued ...	15.00
5 .. (July 1, 1876) Not issued ...	20.00
10 .. (July 1, 1876) Not issued ...	25.00
50 .. (July 1, 1876) Not issued ...	35.00
100 .. (July 1, 1876) Not issued ...	50.00
* * *	
1884—Privilegovana Narodna banka Kraljevine Srbije (Privileged National Bank of the Kingdom of Serbia). Printed in Belgium by Banque Nationale Belge.	
100 Dinars "u zlatu" (gold) (July 2, 1884) ...	150.00
* * *	
1885—Privilegovana Narodna banka Kraljevine Srbije. Printed by Banque Nationale Belge.	
50 Dinars "u zlatu" (gold) (Feb. 1, 1885) ...	200.00
* * *	
—State Notes of the Ministry of Finance.	
10 Dinars "u srebru" (silver) (Nov. 1, 1885)	50.00
Mention: Not exchanged only 1,356 pieces.	
* * *	
1887—Privilegovana Narodna banka Kraljevine Srbije. Printed by Banque de France, Paris.	
10 Dinars "u srebru" (silver) (Jan. 14, 1887)	35.00
* * *	
1893—Privilegovana Narodna banka Kraljevine Srbije. Printed by Banque de France, Paris. In com- munication since September 15, 1908.	
10 Dinars "u srebru" (silver) (Jan. 2, 1893)	5.00
* * *	
1905—Privilegovana Narodna banka Kraljevine Srbije. Printed by Banque de France, Paris.	
20 Dinars "u zlatu" (gold) (Jan. 5, 1905) ...	25.00
100 .. "u srebru" (silver) (Jan. 5, 1905)	5.00
* * *	
1916—With Austro-Hungarian handstamp "K.u.K. Militär-General-gouvernement in Serbien" in lilac.	
10 Dinars "u srebru" (silver) (Jan. 2, 1893)	7.50
100 .. "u srebru" (silver) (Jan. 5, 1905)	10.00
* * *	
1917—Privilegovana Narodna banka Kraljevine Srbije.	
5 Dinars "u srebru" (silver)	2.00

AUCTION No. 8

of the

International Banknote Society

	Est. Value
1. Afghanistan: 10, 20 afghanis, current issue, Unc. (2 pcs.)	\$3.50
2. Austria: 10, 20, 100 schillings, 29 March, 1945, avg. VF (some folds on 100 s.) ... (3)	\$2.50
3. Bohemia & Moravia: 10, 20 kronen (8-VII-1942, 24-I-1944), avg. VF ... (2)	\$1.00
4. Cape Verde: Banco Nacional Ultramarino; 20, 50 escudos, Fine, but 50 e. worn on reverse (16 June 1958) ... (2)	\$4.00
5. Cameroun: Republique Federale du Cameroun (Banque Centrale issues, n.d.), 100, 1,000 fr., Fine ... (2)	\$7.50
6. China: 2 yuan, 1953. VG, center fold ... (1)	\$1.00
7. Czechoslovakia: Issues of the Republic, all dated 1944, 1, 5, 20, 100, 500 korun, Unc. ... (5)	\$5.00
8. Faroe Islands: 10 kronur, 12 April 1949, Unc. ... (1)	\$2.50
9. French West Africa: Banque Centrale des Etats de l'Afrique de l'Ouest; n.d.; 50, 100 fr., Unc. ... (2)	\$2.50
10. Greenland: Den Kongelige Gronlandske Handel, 5 kronor, n.d., Fine, center fold ... (1)	\$1.50
11. Guinea: Banque Centrale de la Republique de Guinee, 100 fr. (1 March 1960), Unc. ... (1)	\$1.50
12. Iceland: Landsbanki Islands; 10 kronur (15 April 1928), 10 kronur (21 June 1957), about Unc. ... (2)	\$3.00
13. Indonesia: Early issues of the Republic, 1946 & 1947; 1, 5, 10, 25, 100 rupiah, Sukarno portrait at left, on poor paper, avg. VG. 10 rup. has some wear on obverse, but still an interesting set ... (5)	\$10.00
14. Iran: Bank Melli; 10, 20 rials (dated 1337), 10 rials (dated 1333), about Unc. ... (3)	\$3.50
15. Israel: Bank of Israel; 1/2, 1 L (dated 1958), 5 L (dated 1955), avg. VF ... (3)	\$6.00
16. Yugoslavia: Democratic Republic; 1, 10, 20 dinara (dated 1944); Narodna Banka, 50 din. (1 May, 1946), 100 din. (1 May, 1955), avg. V.F., some creases ... (5)	\$1.50
17. Latvia: Rigas Stradneeku Deputatu Padomes (Bolshevist issue of 1920); 1, 3, 5, 10 rubli, about Unc. ... (4)	\$3.00
18. Latvia: As above, unfinished 10 rubli note, with Latvia semipostal stamps printed on back (Scott B10), trimmed to size of note, Unc. ... (1)	\$2.00

19. Libya: United Kingdom of Libya: 5, 10 piastres (24 Oct., 1951), about Unc. (2)	\$1.50
20. Morocco: Banque du Maroc; 5, 20 dirhams (Mohammed V), avg. V.F., some light folds (2)	\$5.00
21. Montenegro: 1, 2, 5, 10 perpera (25 July, 1914), avg. V.F., some light folds (4)	\$6.00
22. Montenegro: K.u.K. Militarverwaltung, Austrian Occupation; 1, 2, 5, 10 perpera (5 July, 1917). About Good, much wear (4)	\$2.00
23. Netherlands: De Nederlandsche Bank: 100 gulden (3 Oct., 1942), large note, V.F., light centre fold (1)	\$1.00
24. Netherlands: Pol. Durchgangslager Amersfoort (Concentration Camp, World War II); 10, 25 cent (Keller 67a and 67b), Unc. R.R.R. (2)	\$10.00
25. Poland: Bank Polski; 50 zl. (1 Wrzesnia-Sept., 1929), 100 zl. (9 Listopada-Nov., 1934), Fine (2)	\$7.00
26. Roumania: Banca Nationala a Romaniei; 500 lei (19 VII 31-34), 5,000 lei (15 Decemvrie, 1944), Fine (2)	\$5.00
27. Russia (Soviet): 1, 3, 10 Tchervonetz (all dated 1937), about Fine (3)	\$4.00
28. Saudi Arabia: Monetary Agency; 1, 10 riyal (dated 1379), 1 riyal (dated 1375), 5 riyal (dated 1373), V.F. (4)	\$4.50
29. Serbia: Narodna Banka, 500 dinara (1 November, 1941), about Fine (1)	\$0.75
30. Slovakia: Slovenska Republika; 10, 20 korun (20 July, 1943 and 11 September, 1942), Unc. (2)	\$2.00
31. Thailand: 1, 5, 10, 20 baht (Phumiphol Adulyadet), n.d., avg. V.F. (4)	\$3.00

Bids to be in by May 30, 1964 to Paul Darrell, 1500 Chanslor Avenue, Richmond, California, 94801, U.S.A.

This is the first auction to be set up by your new auctioneer. While a relative newcomer to the field, an extensive background in stamps, coins and other collecting hobbies makes the task somewhat easier. We have attempted to give a brief but useful description of each note and the values have been checked, nevertheless some minor errors may have crept in. Your comments and co-operation will be greatly appreciated; and, in return, your auctioneer is always ready to help dispose of your surplus notes, and to assist those of you in "blocked currency" and other countries to pay dues, subscriptions, buy notes, books, etc., in any way possible, through the Auction or by trade. Please feel free to write to him at any time for a prompt reply. Notes are solicited for our next auction, to be listed in the next issue of the Magazine, along with the results of this auction.

THE PRESIDENT'S CORNER

On the eve of my departure on a world trip with my wife, Valerie and my daughters Pamela, six years and Wendy, four years old, I have the honour of being elected President of my Society. I say "my" because I would like each and every one of its members to consider the International Bank Note Society as their very own.

We have come a long way since July, 1961. Our Society has improved in leaps and bounds, and here I want to send a vote of sincere thanks from us all to Dr. Walter Loeb, Colin Narbeth, Don Allen, George Broughton and Joe Sullivan to mention only a few who have kept the Society going and drawn us all together; also to those who have sent in articles for publication in our magazine.

My aim and ambition for the future is to interest teenagers and juniors in the collecting of bank notes, and I feel we should consider the enrolment of these youngsters at a half-price subscription rate.

Each member of the I.B.S. should then take one of these young members under his wing and start him off with at least twenty-five of his unwanted or duplicate bank notes, of which we all have an ample supply, I am sure. During my travels I shall discuss this matter further with those of you whom I see.

I am writing these few words in the Golden City of Johannesburg, South Africa; within a month I will be meeting the first of many members all around the world. In Italy, Germany, France, England, Canada, America and Australia. As I am exhibiting at the American Numismatic Convention, Cleveland, Ohio in August, 1964, I am sure that through our Secretary, George Broughton, quite a number of us will get together.

JIMMIE N. LAWRENCE.